

**CITY OF BISMARCK EMPLOYEES PENSION FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF MARCH 31, 2006**

	March-06					December-05				September-05				Current Fiscal YTD	Prior Year FY05	3 Years Ended 6/30/2005	5 Years Ended 6/30/2005
	Allocation	Quarter	Month			Allocation	Quarter			Allocation	Quarter						
	Market Value	Actual	Policy	Net ROR	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	Net	Net
LARGE CAP DOMESTIC EQUITY																	
Structured Growth																	
LA Capital	2,307,152	5.2%	5.1%	5.71%	2.34%	2,190,500	5.2%	5.1%	3.42%	2,197,481	5.3%	5.1%	5.64%	15.49%	8.17%	N/A	N/A
Total Structured Growth	2,307,152	5.2%	5.1%	5.71%	2.34%	2,190,500	5.2%	5.1%	3.42%	2,197,481	5.3%	5.1%	5.64%	15.49%	8.17%	8.30%	-8.29%
Russell 1000 Growth				3.09%	1.48%				2.98%				4.01%	10.42%	1.67%	7.25%	-10.36%
Structured Value																	
LSV	2,321,237	5.2%	5.1%	6.61%	1.32%	2,221,117	5.3%	5.1%	2.42%	2,183,339	5.3%	5.1%	4.82%	14.45%	18.24%	14.45%	14.70%
Russell 1000 Value				5.93%	1.35%				1.27%				3.88%	11.44%	14.06%	11.00%	5.27%
Enhanced Russell 1000 Index																	
LA Capital	2,937,965	6.6%	6.9%	5.15%	1.29%	2,959,119	7.0%	6.9%	2.69%	2,949,694	7.1%	6.9%	6.85%	15.37%	7.39%	8.78%	N/A
Russell 1000				4.49%	1.42%				2.12%				3.95%	10.92%	7.92%	9.19%	N/A
Enhanced S&P 500 Index																	
Northern Trust	2,931,597	6.6%	6.9%	3.95%	1.13%	2,933,322	6.9%	6.9%	2.57%	2,875,844	6.9%	6.9%	3.81%	10.68%	6.02%	8.16%	N/A
Westridge	3,049,523	6.8%	6.9%	4.27%	1.27%	2,935,482	6.9%	6.9%	2.10%	2,869,302	6.9%	6.9%	3.65%	10.34%	6.66%	8.57%	N/A
Total Enhanced S&P 500 Index	5,981,120	13.4%	13.7%	4.11%	1.20%	5,868,803	13.9%	13.7%	2.33%	5,745,146	13.8%	13.7%	3.73%	10.51%	6.26%	8.87%	N/A
S&P 500				4.21%	1.24%				2.09%				3.60%	10.22%	6.32%	8.28%	N/A
S&P 500 Index																	
State Street	961,583	2.2%	3.4%	4.21%	1.25%	1,472,396	3.5%	3.4%	2.07%	1,439,516	3.5%	3.4%	3.61%	10.21%	6.34%	8.30%	-2.34%
S&P 500				4.21%	1.24%				2.09%				3.60%	10.22%	6.32%	8.28%	-2.37%
TOTAL LARGE CAP DOMESTIC EQUITY	14,509,058	32.5%	34.3%	4.95%	1.41%	14,711,936	34.8%	34.3%	2.55%	14,515,177	34.9%	34.3%	4.78%	12.77%	8.65%	9.54%	-0.74%
S&P 500				4.21%	1.24%				2.09%				3.60%	10.22%	6.32%	8.28%	-2.37%
SMALL CAP DOMESTIC EQUITY																	
Manager-of-Managers																	
SEI	4,919,334	11.0%	10.7%	13.22%	4.00%	4,630,572	11.0%	10.7%	0.97%	4,580,471	11.0%	10.7%	5.48%	20.57%	9.36%	13.65%	N/A
Russell 2000 + 200bp				14.49%	5.02%				1.64%				5.21%	22.42%	11.64%	15.07%	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	4,919,334	11.0%	10.7%	13.22%	4.00%	4,630,572	11.0%	10.7%	0.97%	4,580,471	11.0%	10.7%	5.48%	20.57%	9.36%	13.65%	5.64%
Russell 2000				13.94%	4.85%				1.13%				4.69%	20.64%	9.45%	12.81%	5.71%
INTERNATIONAL EQUITY																	
Large Cap - Core																	
State Street	138,058	0.3%	0.3%	10.11%	3.66%	136,000	0.3%	0.3%	4.44%	136,195	0.3%	0.3%	10.65%	27.24%	7.68%	7.31%	-2.19%
MSCI EAFE (1)				9.40%	3.30%				4.08%				10.38%	25.68%	9.59%	7.29%	-2.85%
Large Cap - Active																	
Capital Guardian	411,953	0.9%	0.9%	7.49%	3.41%	413,833	1.0%	0.9%	9.43%	407,620	1.0%	0.9%	11.82%	31.54%	11.23%	7.35%	-3.02%
LSV	413,426	0.9%	0.9%	11.53%	3.65%	402,975	1.0%	0.9%	4.29%	405,624	1.0%	0.9%	11.55%	29.75%	N/A	N/A	N/A
Bank of Ireland	138,334	0.3%	0.3%	11.28%	3.75%	134,409	0.3%	0.3%	3.28%	131,150	0.3%	0.3%	6.99%	22.96%	12.20%	N/A	N/A
Total Large Cap - Active	963,712	2.2%	2.1%	9.74%	3.56%	951,217	2.3%	2.1%	6.36%	944,394	2.3%	2.1%	11.02%	29.58%	13.74%	8.14%	-2.37%
MSCI EAFE - 50% Hedged				9.20%	3.61%				5.84%				11.07%	28.37%	14.41%	8.84%	-2.01%
Small Cap - Active																	
Lazard	139,511	0.3%	0.3%	11.63%	4.58%	134,012	0.3%	0.3%	2.89%	134,246	0.3%	0.3%	9.65%	25.93%	19.82%	N/A	N/A
Wellington	150,265	0.3%	0.3%	10.00%	3.95%	138,623	0.3%	0.3%	3.95%	131,822	0.3%	0.3%	8.08%	25.98%	12.00%	N/A	N/A
Total Small Cap - Active	289,776	0.6%	0.6%	10.80%	4.26%	272,635	0.6%	0.6%	4.41%	266,068	0.6%	0.6%	8.88%	25.96%	15.90%	N/A	N/A
Citigroup Broad Market Index < \$2BN				9.34%	4.10%				8.94%				12.05%	33.46%	21.33%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	1,391,547	3.1%	3.0%	9.99%	3.72%	1,359,852	3.2%	3.0%	5.77%	1,346,657	3.2%	3.0%	10.56%	28.62%	13.12%	10.28%	-0.51%
MSCI EAFE - 50% Hedged				9.20%	3.61%				5.84%				11.07%	28.37%	14.41%	8.84%	-2.01%
EMERGING MARKETS EQUITY																	
Core																	
Capital Guardian	-	0.0%	0.5%	N/A	N/A	125,393	0.3%	0.5%	9.92%	534,210	1.3%	1.1%	16.25%	N/A	33.94%	22.44%	4.12%
Ishares-Index Fund (temporary)	6	0.0%	0.3%	N/A	N/A	109,555	0.3%	0.3%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
JP Morgan	123,634	0.3%	0.3%	10.46%	-0.61%	111,380	0.3%	0.3%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
PanAgora	106,892	0.2%	0.0%	N/A	-0.59%	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
WestLB	106,666	0.2%	0.0%	N/A	-0.79%	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
UBS	238,602	0.5%	0.5%	11.61%	0.62%	212,761	0.5%	0.5%	7.63%	185,941	0.4%	0.4%	N/A	N/A	N/A	N/A	N/A
Total Core	575,799	1.3%	1.5%	11.30%	-0.13%	559,089	1.3%	1.5%	8.68%	720,152	1.7%	1.5%	17.05%	41.59%	33.94%	22.44%	4.12%
MSCI Emerging Markets				12.12%	0.90%				7.20%				18.11%	41.97%	34.89%	24.42%	7.64%
Small Cap																	
DFA	134,991	0.3%	0.3%	12.64%	1.77%	128,432	0.3%	0.3%	8.16%	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
MSCI Emerging Markets				12.12%	0.90%				7.20%				18.11%	41.97%	34.89%	24.42%	7.64%
TOTAL EMERGING MARKETS EQUITY	710,790	1.6%	1.5%	11.49%	0.22%	687,521	1.6%	1.5%	8.22%	720,152	1.7%	1.5%	17.05%	41.23%	33.94%	22.44%	4.12%
MSCI Emerging Markets				12.12%	0.90%				7.20%				18.11%	41.97%	34.89%	24.42%	7.64%
DOMESTIC FIXED INCOME																	
Core Bond																	
Western Asset	1,855,896	4.2%	4.4%	-0.56%	-1.24%	1,782,426	4.2%	4.2%	0.24%	1,580,068	3.8%	4.0%	-0.48%	-0.81%	7.25%	7.46%	8.91%
Lehman Aggregate				-0.65%	-0.98%				0.59%				-0.67%	-0.73%	6.80%	5.75%	7.40%
Index																	
Bank of ND	3,821,138	8.5%	10.0%	-0.94%	-1.00%	3,639,093	8.6%	10.0%	0.64%	3,248,692	7.8%	8.8%	-0.93%	-1.23%	7.23%	6.11%	7.77%
Bank of ND Match Loan CD Program	-	0.0%	0.0%	N/A	N/A	-	0.0%	0.0%	N/A	508,143	1.2%	1.2%	1.28%	N/A	5.08%	5.33%	5.53%
Total Index	3,821,138	8.5%	10.0%	-0.94%	-1.00%	3,639,093	8.6%	10.0%	0.83%	3,756,835	9.0%	10.0%	-0.43%	-0.54%	6.91%	5.88%	7.41%
Lehman Gov/Credit				-1.01%	-1.10%				0.60%				-0.96%	-1.38%	7.26%	6.41%	7.70%
Convertibles																	
TCW	1,894,694	4.2%	4.3%	3.06%	1.19%	1,789,948	4.2%	4.2%	1.16%	1,599,139	3.8%	3.9%	2.95%	7.32%	-0.23%	8.73%	-2.63%
Merrill Lynch All Convertibles				5.32%	1.39%				0.46%				4.15%	10.19%	0.66%	9.94%	0.50%

**CITY OF BISMARCK EMPLOYEES PENSION FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF MARCH 31, 2006**

	March-06					December-05				September-05				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation Actual	Policy	Quarter Net ROR	Month Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Net ROR	Net ROR	Ended 6/30/2005 Net	Ended 6/30/2005 Net
<b>BBB Average Quality</b>																	
<b>Wells Capital</b>	1,827,684	4.1%	4.4%	-0.97%	-1.52%	1,775,731	4.2%	4.2%	0.56%	1,558,632	3.8%	4.0%	-1.65%	-2.06%	12.04%	9.22%	8.81%
Lehman BBB				-1.20%	-1.70%				0.39%				-0.97%	-1.78%	8.60%	9.16%	7.86%
<b>Private Debt</b>																	
<b>Prudential</b>	1,859,893	4.2%	4.2%	-0.66%	-0.84%	1,785,162	4.2%	4.2%	0.82%	1,547,831	3.7%	3.7%	-0.27%	-0.13%	N/A	N/A	N/A
Lehman Aggregate				-0.65%	-0.98%				0.59%					-0.73%	N/A	N/A	N/A
<b>Timberland</b>																	
RMK	1,593,170	3.6%	3.6%	5.39%	-0.08%	1,510,168	3.6%	3.6%	-6.09%	1,691,648	4.1%	4.1%	-0.24%	-1.26%	14.50%	12.47%	N/A
TIR	4,093,203	9.2%	9.2%	16.68%	3.50%	4,080,110	9.7%	9.7%	3.19%	4,252,495	10.2%	10.2%	-0.09%	20.30%	N/A	N/A	N/A
<b>Total Timberland</b>	5,686,373	12.7%	12.7%	13.63%	2.58%	5,590,278	13.2%	13.2%	0.55%	5,944,143	14.3%	14.3%	-0.13%	14.11%	44.29%	21.48%	N/A
NCREIF Timberland Index				0.00%										13.04%	14.07%	7.31%	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	16,945,678	37.9%	40.0%	4.48%	0.41%	16,362,637	38.7%	40.0%	0.68%	15,986,648	38.5%	40.0%	-0.19%	5.00%	19.23%	11.83%	8.92%
Lehman Aggregate				-0.65%	-0.98%				0.59%				-0.67%	-0.73%	6.80%	5.75%	7.40%
<b>HIGH YIELD BONDS</b>																	
<b>Loomis Sayles</b>	764,000	1.7%	1.8%	3.67%	0.10%	736,952	1.7%	1.8%	1.36%	730,191	1.8%	1.8%	1.24%	6.38%	15.96%	N/A	N/A
Lehman High Yield Cash Pay Index				2.61%	0.42%				0.80%				0.99%	4.46%	10.83%	N/A	N/A
<b>Sutter/Wells Capital</b>	752,066	1.7%	1.8%	2.65%	0.47%	732,625	1.7%	1.8%	1.38%	719,462	1.7%	1.8%	0.31%	4.39%	9.62%	N/A	N/A
Merrill Lynch High Yield Master II Index				2.61%	0.42%				0.80%				0.99%	4.46%	10.63%	N/A	N/A
<b>TOTAL HIGH YIELD BONDS</b>	1,516,067	3.4%	3.5%	3.16%	0.28%	1,469,577	3.5%	3.5%	1.37%	1,449,653	3.5%	3.5%	0.77%	5.39%	12.76%	13.38%	5.52%
Lehman High Yield Bond Index				2.61%	0.42%				0.80%				0.99%	4.46%	10.86%	14.51%	7.47%
<b>INTERNATIONAL FIXED INCOME</b>																	
<b>International Sovereign</b>																	
<b>UBS Global (Brinson)</b>	368,252	0.8%	1.0%	0.13%	-0.80%	367,776	0.9%	1.0%	-2.54%	377,538	0.9%	1.0%	-1.08%	-3.47%	7.92%	11.22%	8.24%
Citigroup Non-US Gov't Bond Index (2)				-0.18%	-1.19%				-2.61%				-1.24%	-3.99%	7.75%	10.98%	7.92%
<b>International Core</b>																	
<b>Brandywine</b>	385,595	0.9%	1.0%	0.66%	-1.84%	383,044	0.9%	1.0%	-0.22%	383,667	0.9%	1.0%	0.80%	1.24%	11.78%	N/A	N/A
Lehman Global Aggregate (ex-US)				3.16%	-1.00%				-2.39%				-0.86%	-0.16%	8.10%	N/A	N/A
<b>TOTAL INTERNATIONAL FIXED INCOME</b>	753,846	1.7%	2.0%	0.40%	-1.33%	750,820	1.8%	2.0%	-1.36%	761,205	1.8%	2.0%	-0.15%	-1.12%	9.84%	12.08%	8.74%
Citigroup Non-US Gov't Bond Index (2)				-0.18%	-1.19%				-2.61%				-1.24%	-3.99%	7.75%	10.98%	7.92%
<b>REAL ESTATE</b>																	
INVESCO	689,961			5.60%	5.52%	654,945			1.73%	644,857			7.19%	15.15%	N/A	N/A	N/A
J.P. Morgan Strategic & Special Funds	697,829			4.00%	1.58%	670,504			4.94%	638,969			6.33%	16.04%	19.52%	12.70%	10.44%
J.P. Morgan Alternative Property Fund	37,949			N/A	0.00%	-			N/A	-			N/A	N/A	N/A	N/A	N/A
<b>TOTAL REAL ESTATE</b>	1,425,738	3.2%	3.0%	4.66%	3.40%	1,325,450	3.1%	3.0%	3.33%	1,283,826	3.1%	3.0%	6.76%	15.46%	19.52%	12.70%	10.44%
NCREIF TOTAL INDEX				3.62%	1.19%				5.43%				4.44%	14.09%	18.02%	12.07%	10.81%
<b>ALTERNATIVE INVESTMENTS</b>																	
Coral Partners V	22,402			-1.81%	0.00%	24,206			1.43%	25,142			0.01%	-0.40%	-18.97%	-24.36%	-22.64%
Coral Partners V - Supplemental	2,217			-18.49%	0.00%	2,886			-1.04%	3,072			-7.36%	-25.27%	-6.85%	-4.52%	N/A
Coral Partners VI	33,169			-1.01%	0.00%	28,946			2.13%	24,640			-1.55%	-0.47%	-1.17%	N/A	N/A
Brinson 1998 Partnership Fund	6,044			0.82%	0.82%	7,500			3.50%	7,633			3.17%	7.66%	19.64%	3.73%	-1.83%
Brinson 1999 Partnership Fund	12,349			3.86%	3.86%	12,615			0.64%	14,894			2.44%	7.08%	9.31%	1.61%	-4.71%
Brinson 2000 Partnership Fund	31,067			10.73%	10.73%	29,767			3.70%	30,388			6.45%	22.23%	14.97%	3.21%	-0.80%
Brinson 2001 Partnership Fund	18,346			5.34%	5.58%	19,991			2.53%	17,963			3.91%	12.22%	4.00%	1.40%	N/A
Brinson 2002 Partnership Fund	11,068			17.97%	16.91%	11,017			3.38%	11,227			3.47%	26.20%	-4.22%	6.13%	N/A
Brinson 2003 Partnership Fund	3,356			6.05%	7.64%	2,713			5.26%	2,234			7.59%	20.10%	1.71%	N/A	N/A
Brinson 1999 Non-US Partnership Fund	5,961			12.88%	10.03%	6,350			-1.05%	6,761			-5.55%	5.50%	32.09%	21.85%	11.30%
Brinson 2000 Non-US Partnership Fund	10,456			16.47%	16.47%	9,525			7.48%	9,336			-0.69%	24.32%	15.57%	13.45%	4.88%
Brinson 2001 Non-US Partnership Fund	8,756			0.06%	1.84%	8,437			3.98%	10,238			9.11%	13.52%	9.19%	8.24%	N/A
Brinson 2002 Non-US Partnership Fund	12,738			11.87%	11.47%	14,576			15.23%	12,138			-0.04%	28.86%	12.60%	12.07%	N/A
Brinson 2003 Non-US Partnership Fund	6,990			3.26%	3.26%	7,182			12.34%	6,735			0.61%	16.71%	2.52%	N/A	N/A
Brinson 2004 Non-US Partnership Fund	2,631			3.59%	3.59%	2,694			9.37%	1,761			4.09%	17.93%	0.42%	N/A	N/A
Brinson BVCF IV	40,532			2.14%	0.00%	42,100			8.77%	40,777			10.29%	22.53%	6.06%	3.14%	-7.20%
Matlin Patterson Global Opportunities	33,757			-8.59%	-8.59%	39,179			-1.36%	43,089			-8.79%	-17.76%	102.75%	N/A	N/A
Matlin Patterson Global Opportunities II	41,055			-0.74%	-0.74%	34,956			0.00%	36,845			0.00%	-0.74%	N/A	N/A	N/A
InvestAmerica	10,476			0.00%	0.00%	11,114			0.00%	11,709			0.00%	0.00%	-18.88%	-13.16%	N/A
Hearthstone MSII	562			0.00%	0.00%	0			0.00%	1,850			0.00%	0.00%	1214.92%	179.43%	90.03%
Hearthstone MSIII	11,881			5.32%	0.00%	22,991			7.40%	33,669			4.53%	18.24%	16.51%	N/A	N/A
<b>TOTAL ALTERNATIVE INVESTMENTS (3)</b>	325,812	0.7%	1.0%	2.33%	2.06%	338,745	0.8%	1.0%	3.62%	352,099	0.8%	1.0%	1.64%	7.78%	17.54%	3.01%	-3.42%
<b>CASH EQUIVALENTS</b>																	
<b>Northern Trust STIF/STEP</b>	2,202,970	4.9%	1.0%	1.21%	0.46%	634,912	1.5%	1.0%	0.85%	553,273	1.3%	1.0%	0.89%	2.98%	2.19%	1.82%	2.72%
90 Day T-Bill				1.03%	0.39%				0.92%				0.83%	2.81%	2.15%	1.55%	2.62%
<b>TOTAL FUND</b>	44,700,840	100.0%	100.0%	5.72%	1.33%	42,272,023	100.0%	100.0%	1.70%	41,549,160	100.0%	100.0%	3.01%	10.77%	13.81%	11.53%	4.95%
<b>POLICY TARGET BENCHMARK</b>				3.21%	0.69%				1.46%				2.16%	6.97%	8.15%	8.59%	3.87%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

(3) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.